

PENTHOUSE
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Dossier on the

C.I.A.

by William R. Carson



For some time I have been disturbed by the way the CIA has been diverted from its original assignment. It has become an operational and at times policy-making arm of the government. I never thought when I set up the CIA that it would be injected into peacetime cloak-and-dagger operations. --ex-President Harry S. Truman.

NOTHING has happened since that pronouncement by the agency's creator in December 1963 to remove or reduce the cause for concern over the CIA's development. As currently organized, supervised, structured and led, it may be that the CIA has outlived its usefulness. Conceivably, its very existence causes the President and the National Security Council to rely too much on clandestine operations. Possibly its reputation, regardless of the facts, is now so bad that as a foreign policy instrument the agency has become counter-productive. Unfortunately the issue of its efficiency, as measured by its performance in preventing past intelligence failures and consequent foreign policy fiascos, is always avoided on grounds of "secrecy". So American taxpayers provide upwards of \$750,000,000 a year for the CIA without knowing how the money is spent or to what extent the CIA fulfils or exceeds its authorized intelligence functions.

The gathering of intelligence is a necessary and legitimate activity in time of peace as well as in war. But it does raise a very real problem of the proper place and control of agents who are required, or authorized on their own recognizance, to commit acts of espionage. In a democracy it also poses the dilemma of secret activities and the values of a free society. Secrecy is obviously essential for espionage but it can be -- and has been -- perverted to hide intelligence activities even from those with the constitutional responsibility to sanction them. A common rationalization is the phrase "If the Ambassador/Secretary/President doesn't know he won't have to lie to cover up." The prolonged birth of the CIA was marked by a reluctance on the part of politicians and others to face these difficulties, and the agency as it came to exist still bears the marks of this indecision.

What we need to do is to examine how the U.S. gathers its intelligence, and consider how effective its instruments are and what room there is for improvement. Every government agency must be able to justify its existence to the public. The CIA's Director, acknowledged before the American Society

of Newspaper Editors, should be supervised by the Intelligence Agency. The time is long overdue for a supervisory role for the Central Intelligence War. Under this CIA administration of inquiry by the President and specifically requiring disclosure of titles, salaries, and expenses of CIA; (ii) expectations on expenses of the Director's staff without adverse effect on the Government; (iii) the Government's responsibility for staff abroad and their families; (iv) the 1949 Central Intelligence Director's license.

With so much is seen by many as a sine qua non for the CIA, in Guatemala, Mossadegh, the Cuban failure). The President Kennedy, 28, 1961, was heralded -- because the agency's "m...

representative of the unending gambit and bigger than life human aspect of espionage and secret operations. At this level the stakes are lower and the "struggle" frequently takes bizarre and even ludicrous twists. For, as Alexander Foote noted in his *Handbook for Spies*, the average agent's "real difficulties are concerned with the practice of his trade. The setting up of his transmitters, the obtaining of funds, and the arrangement of his rendezvous. The irritating administrative details occupy a disproportionate portion of his waking life."

As an example of the administrative hazards, one day in 1960 a technical administrative employee of the CIA stationed at its quasi-secret headquarters in Japan flew to Singapore to conduct a reliability test of a local recruit. On arrival he checked into one of Singapore's older hotels to receive the would-be spy and his CIA recruiter. Contact was made. The recruit was instructed in what a lie detector test does and was wired up, and the technician plugged the machine into the room's electrical outlet. Thereupon it blew out all the hotel's lights. The ensuing confusion and darkness did not cover a getaway by the trio. They were discovered, arrested, and jailed as American spies.

By itself the incident sounds like a sequence from an old Peters Sellers movie, however, its consequences were not nearly so funny. In performing this routine mission the CIA set off a two-stage international incident between England and the United States, caused the Secretary of State to write a letter of apology to a foreign chief of state, made the U.S. Ambassador to Singapore look like the proverbial cuckold, the final outcome being a situation wherein the United States Government lied in public -- and was caught!

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Singapore premier denounces attempt to control press

By WILLIAM J. POMEROY

LONDON, June 14 (By airmail)

— The western press began a vilification campaign against one of the (up to now) favorite sons of neo-colonialism in Asia: Prime Minister Lee Kuan Yew of Singapore. It seems that Lee has dared to rap the knuckles of foreign fingers that want to get a grip on Singapore's press.

Only approval came from the British and U.S. press when Lee Kuan Yew in 1964 outlawed left-wing opposition parties and jailed their members without trial.

In the past year or so Lee has embarked on a slightly more neutral foreign policy, entering on diplomatic and trade relations with the Soviet Union and even paying an official visit to Moscow.

The Soviet airline, Aeroflot, now has a direct route to Singapore, and recently talks have been held regarding use of repair and refitting facilities in Singapore dockyards by Soviet naval vessels. Britain, which is in the process of relinquishing its enormous Singapore naval base, once the symbol of British imperial power in Asia, has been somewhat apoplectic over that prospect.

Trouble with press

Early in May, Lee unleashed an attack on the newspaper Eastern Sun, that had been pursuing a pro-American, pro-government, anti-Communist line. Lee charged that the proprietors of the Eastern Sun had received \$1.5 million from Chinese sources, via Hong Kong. The government charge was that the paper would continue its present editorial policy for some time and then gradually shift to a pro-Peking line. Its proprietors, confronted with evidence, did not make a denial, its staff resigned, and the paper ceased publication on May 16.

This incident aroused no protest from the western press. Indeed, it was reported favorably.

An entirely different reaction came, however, when Lee Kuan Yew followed this up with a similar attack on the Singapore Herald, which began its publication last July as an anti-government paper. The Singapore Herald was

origins of which were difficult to trace through a labyrinth of links with Hong Kong and Malaysia. One source was visible: the paper was allowed an overdraft of \$125,000 by the Chase Manhattan Bank of New York.

In its 10 months of operation, the Singapore Herald has been running at a heavy loss, hence the overdraft. The managing director of McGraw Hill's Far Eastern branch has had an interest in the paper.

In Lee Kuan Yew's accusation of a foreign plot to control the Singapore press, he said: "foreign capital coming to Singapore to start a newspaper does not take the Government on if it wants to make money. It is only prepared to take the Government on if it is after something other than money and is prepared to lose money."

At the end of May, the Singapore Herald's license to print was revoked and the paper's foreign editor, an Australian, was deported. It was at this point, when Lee Kuan Yew dared to touch a publication with U.S. and British financing, that the western press came down on his head and accused him of "murdering" a free press in Singapore.

CIA named

Lee Kuan Yew's government has not backed away from a fight. The CIA was charged with organizing an operation to counter-balance U.S. forced-withdrawal from Vietnam by intensifying propaganda control over the Asian press.

When asked for proof that the CIA was behind the Singapore Herald, Lee Kuan Yew replied that the CIA was not the only U.S. government agency likely to interfere in Singapore's press. He cited the U.S. Information Service and the Voice of America. The reminder was made that over a decade ago the Singapore government had uncovered, with documentary proof, a CIA conspiracy to subvert the country's independence.

press conspiracy have been charged to point to certain broad

operations now going on in Asia. Among these is the setting up of an Asia News Service, based in Hong Kong, which was announced in the British press a few months ago and is linked with the London Times and Financial Times and with U.S. newspapers. Recently, too, the Bangkok Post, owned by the British press magnate, Lord Thompson, merged with the American-owned Bangkok World, to form a new Allied Newspapers Ltd.

These signs of a concerted imperialist campaign to control the Southeast Asian press and to use it as a weapon against any independent trends away from neo-colonialism can be seen, too, in the following advertisement clipped from the Financial Times of Feb 5, 1971:

"Newspaper Management Southeast Asia syndicate, comprised of publishers of four key English-language newspapers in Singapore, Hong Kong and Manila wish to obtain the services of an experienced Newspaper Manager. He will be concerned with the development of a recently established morning newspaper which has the backing of the syndicate. Terms of service will include: full cost of passage for the successful applicant and family to and from the United Kingdom; an attractive salary, and an element of profit sharing. Applications should be addressed to Box JK1, Financial Times, 10 Cannon Street, London, E.C. 4.

Anybody want a job promoting Nixon's Guam Doctrine and British Tory policy East of Suez?

U.S. Denies Aiding Paper

Reuter

SINGAPORE, June 11—The U.S. embassy today denied suggestions by Prime Minister Lee Kuan Yew that an American agency had been financing the Singapore Herald.

The English-language daily shut down May 23 when the government withdrew its printing permit. Lee earlier implied that the paper was linked with "black" (subversive) operations directed from abroad.

At a news conference in Helsinki yesterday, the prime minister said he believed the CIA was not directly involved with the Herald but added that there were other agencies in the U.S. government, such as the U.S. Information Service and the Voice of America.

SINGAPORE BATTLE JOINED

By IAN WARD
In Singapore

SINGAPORE leaders last night opened their campaign to rally support for Mr Lee Kuan Yew, Prime Minister, who has come under heavy criticism for his tough measures against the Press.

The Government issued a sweeping history of "black operations conducted by Americans, British and others who had better remain unmentioned."

And in a six-page statement from the Chairman of the Government-controlled national trades union congress, asked Singaporeans to "give the Government the benefit of the doubt" until all facts in the Press war were known.

This plea by Mr C. Devan Nair dealt primarily with the Government's row with the English-language *Singapore Herald*, which last week quadrupled its circulation after the Prime Minister fired a series of verbal broadsides at its management and questioned its financial backing.

Staff rescue

An attempt to kill the paper was frustrated by the staff — who gave up their salaries and went into the streets to sell copies — and by the Chase Manhattan Bank, which has deferred foreclosure on its mortgage, to the Government's annoyance.

Readers used to a highly restrained Press have been stunned by the *Herald's* editorial content these past few days as column after column lashed into the Government, its leaders and their policies.

Newspaper comment throughout the region has overwhelmingly supported the paper's stand to the point that Mr Lee appears to be facing the toughest political test of his 11 years as leader.

Last night's statement by Mr Devan Nair predicted that a number of Singaporeans would sooner or later have reason to feel ashamed of themselves for giving the benefit of the doubt to the wrong side in the confrontation.

A natural sympathy for the *Herald's* staff had served to obscure in some minds facts about the protagonists in the affair. On the one hand there were the elected leaders of Singapore, on the other were the "obscure as well as not-so-obscure foreign politicians, financiers and guarantors from a variety of foreign sources."

CIA accused

Mr Devan Nair referred to the "mounting anti-Singapore clamour from Foreign sources mainly centred in that well-known beehive of international intrigue, of ugly men serving Eastern or Western masters—Hongkong."

In his list of "black operations" perpetrated in Singapore, he mentioned the 1959 "Chee Swee Kee" case in which "large sums of American money from a bank in New York found its way into the pocket of a Singapore politician."

"There was the case of a CIA attempt to bribe a senior Singapore intelligence officer," and the "uniquely British-type of dual black operation—the Eden Hall affair."

This was a reference to meetings held in 1960 between the then High Commissioner-General in Singapore, Lord Selkirk, and the Communist leader, Lim Chin Siong, who were supposed to have talked over cups of tea at the British representative's official residence, Eden Hall.

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